

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB66

Hearing Date: Tuesday January 29, 2013
Committee On: Urban Affairs
Introducer: Schilz
One Liner: Authorize cities of the first class to annex certain noncontiguous property

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 5 Senators Ashford, Karpisek, Krist, McGill, Murante
Nay:
Absent: 2 Senators Coash, Lautenbaugh
Present Not Voting:

Proponents:

Melissa Hilty
Gary Krumland
Gary Person

Don Adams
Marlan Ferguson

Opponents:

Jill Becker
Shawn Scott
Don Wesely
Duane Witt
Matthew Fischer

Neutral:

Joseph D. Kohout
Larry Dix

Representing:

Introducer
League of Nebraska Municipalities
City of Sidney and Sydney/Cheyenne County Economic
Development
Adams Industries
Grand Island for Economic Development

Representing:

Black Hill Energy
Adams Central School District
Source Gas
District 82 North West Public School
NorthWest Public Schools

Representing:

United Cities of Sarpy County
NACO

Summary of purpose and/or changes:

Bill Summary:

LB 66 provides for cities of the first class to annex certain noncontiguous land

Comments/Analysis:

Section one of the bill amends 16-117 to allow the annexation of any noncontiguous lands, lots or tracts that are owned by a city of the first class to this section which currently allows annexation of only contiguous or adjacent land, lots, tracts, streets, or highways by city ordinance.

Section one also adds a new subsection to 16-117 to allow any owner of property that is part of a redevelopment project

area designated by a city of the first class to petition that such property be included within the corporate limits of the city if such annexation is for the purpose of implementing a lawfully adopted redevelopment plan and which will involve any construction or development of a commercial or industrial nature, even though the property is not contiguous or adjacent, or is not urban or suburban in character.

Section one also restricts a city's exercise of authority, not allowing the city to extend its jurisdiction beyond its corporate boundaries for the purposes of planning, zoning, or subdivision development without the agreement of any other city, village, or county currently exercising such jurisdiction over the area surrounding the noncontiguous annexed redevelopment project area. This new language also states that the annexation of any noncontiguous land by a city shall not result in any change in the service area of any electric utility without an express agreement of the electric utility serving the annexed noncontiguous area at the time of the annexation. At the time the city annexes the intervening territory between the corporate boundaries of the city and the noncontiguous annexed portion, directly connecting the noncontiguous area and the main body of the city, the noncontiguous area shall be treated as if it had been annexed by the city on the date the connecting intervening territory is formally annexed.

Section two of the bill amends 16-120. This section of statute currently provides that the inhabitants of territories annexed by cities shall receive substantially the services of other inhabitants of the city as soon as practicable. The new language would provide an exception for a city of the first class that annexes noncontiguous land pursuant to 16-117 (above) to allow the city and the owner of the annexed property to negotiate and enter into an agreement to determine which city services will be provided to such property and when such services will be provided. The terms of this agreement are to be included within the city ordinance authorizing the annexation, and this section also provides that the inhabitants of territories annexed to a city of the first class shall be subject to the ordinances and regulations of the annexing city.

Section three of the bill amends 16-130 to allow the annexation of any noncontiguous lands, lots or tracts that are owned by a city of the first class.

This section also adds new language to create a subsection (3) which states that any owner of property which constitutes part of a redevelopment project area designated by a city of the first class, may petition that their property be included within the corporate limits of the city if the annexation is for the purpose of implementing a redevelopment plan, even though the property is not contiguous or adjacent, or urban or suburban in character.

This section further restricts the city from extending its jurisdiction beyond its corporate boundaries for purposes of zoning, planning, or subdivision development without the agreement of any other city, village, or county currently exercising such jurisdiction over the area surrounding the annexed redevelopment project area. The service area of the electric utility serving the noncontiguous annexed area again would not change without the express agreement of the electric utility serving that area at the time of the annexation, except that when the intervening territory between the noncontiguous annexed area and the main body of the city is annexed, the noncontiguous area shall be treated as if it had been annexed by the city on the date which the connecting intervening territory was formally annexed.

Explanation of amendments:

AM 784 replaces the original bill, and creates a process whereby a city may use tax increment financing (TIF) outside of the city boundaries only in the limited instance of a formerly used defense site outside of the corporate limits of the city, but within the same county as the city. The area to be developed must be inside of a sanitary improvement district, and once the SID is formed, the city must file an ordinance declaring its intent to annex the formed SID. The city can then use TIF and create a redevelopment project.

The amendment preserves the currently existing service areas of electric utilities, natural gas utilities, and communications company service areas as well.

Skip annexation is removed entirely from the bill. A formerly used defense site is defined as real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the Secretary of

Defense. It specifically states that a formerly used defense site does not include missile silos.

Amanda McGill, Chairperson